



## **DRAFT** **Report to the Raleigh Community on** **Housing & Community Development** **Planned Expenditures**

The City of Raleigh  
Housing and Neighborhoods Department  
Community Development Division  
[raleighnc.gov](http://raleighnc.gov)

The 2018-2019 Annual Action Plan will be for the fourth year of Raleigh's 2016-2020 Five-Year Consolidated Plan, required by the U.S. Department of Housing and Urban Development (HUD), that identifies an entitlement community's priority housing and community development needs for very low-, low-, and moderate-income city residents and the strategies the community has developed to address them. This "Report to the Community" is offered as an easier-to-read summary of what is within the Draft Annual Action Plan, which should be consulted for additional details. It is available on-line at [www.raleighnc.gov](http://www.raleighnc.gov) in the Community Development Division (CDD) section of Housing and Neighborhoods Department and on request from CDD at (919) 996-4330.

The Consolidated Plan provides guidance for Raleigh for the period July 1, 2016—June 30, 2020. The City of Raleigh must submit an Annual Action Plan every year to illustrate how it is meeting its housing and community development needs.

The Annual Action Plan also functions as an application for funding from HUD for the following federal programs, with the projected allocation for each (not including program income):

• Community Development Block Grant (CDBG)	\$2,872,414
• HOME Investment Partnership (HOME)	\$1,070,243
• Emergency Solutions Grant (ESG)	\$ 256,647

In addition to these federal programs, local sources of funds contribute to implementing the City of Raleigh Consolidated Plan. A staff recommendation for additional General Fund dollars for rental development and housing rehabilitation received City Council approval July 1, 2016 and this document includes the \$5.9 million in General Fund dollars available in the third year of implementation of this revenue source among the narratives and charts.

# Draft Report to the Community on Housing and Community Development

The 2016-2020 Consolidated Plan established the priorities/goals that this Annual Action Plan aims to implement through the City's housing and community development programs.

## The three priorities are:

- Increase the supply of affordable housing
- Enhance the homeless to housing continuum
- Neighborhood revitalization

As shown in the narratives and charts contained within the Annual Action Plan, the City intends to continue its programs that offer financial assistance to developers of affordable rental housing, assist in acquisition and demolition of blighted units (with relocation of existing tenants to safe and secure housing of their choosing), loans to low- and moderate-income (LMI) homeowners needing housing rehab assistance, providing second mortgage money to LMI homebuyers, provide job training and homebuyer training, assist nonprofit organizations serving low-income or homeless families, and investing in new infrastructure and affordable housing in focus neighborhoods such as College Park. In FY 2018-2019 funds from last year will be made available in the Neighborhood Revitalization Strategy Area (NRSA, southeast of St. Augustine's University) for commercial façade improvements and business up-fit.

Below is a summary budget for next fiscal year, to be adjusted when HUD provides the City with its actual grant allocations:

## FY 2017-2018 Community Development Budget

Activity	HOME	CDBG	ESG	Local	Total
<b>Affordable Housing</b>					
Housing Rehabilitation	\$500,000	\$484,143			\$984,143
Homebuyer assistance (second mortgages)	\$100,000	\$150,000		\$500,000	\$750,000
Rental Development Loans	\$1,138,883	\$150,000		\$5,997,000	\$7,285,883
CHDO	\$162,772				\$162,772
<b>Homeless to Housing Continuum</b>					
Homelessness Prevention			\$184,647		\$184,647
HMIS Support			\$72,000		\$72,000
<b>Neighborhood Revitalization</b>					
Public Services					
South Wilmington Street Center		\$100,000			\$100,000

## Draft Report to the Community on Housing and Community Development

Community Enhancement Grants		\$175,000			\$175,000
Homebuilders Training Program		\$76,000			\$76,000
Homebuyer Counseling		\$75,000			\$75,000
<b>Public Works</b>					
Site Improvements		\$283,260			\$283,260
Design Planning Contracts		\$25,000			\$25,000
Appraisal/Environmental		\$0			\$0
<b>Acquisition/Disposition</b>					
		\$1,175,000			\$1,175,000
<b>Relocation</b>					
		\$50,000			\$50,000
<b>Demolition</b>					
		\$50,000			\$50,000
<b>Administration</b>					
Staff	\$214,670	\$748,813			\$1,017,336
Debt Service		\$110,857		\$500,000	\$610,857
Miscellaneous	\$30,643	\$90,993			\$121,636
<b>Totals</b>	<b>\$2,146,998</b>	<b>\$3,744,066</b>	<b>\$256,647</b>	<b>\$6,997,000</b>	<b>\$13,198,534</b>

The table above includes projected federal allocations for FY 2018-2019 and anticipated program income for CDBG and HOME.

Two grant programs (Emergency Solutions Grant and Community Enhancement Grant) are being included in the Annual Action Plan with recommendations for funding to be approved by City Council as part of the Annual Action Plan approval process that concludes on May 1, 2018 with a vote by City Council approving the Annual Action Plan prior to its submission to HUD by mid-May.

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The following nonprofit organizations are recommended for funding from the City's anticipated Emergency Solutions Grant (ESG) allocation:

## City of Raleigh Emergency Solutions Grant- Combined RFP, Year Two

Agency	Recommended Award	Use of the Funds
Triangle Family Services	\$109,647	Homelessness prevention
Passage Home	\$ 75,000	Homelessness prevention
Raleigh Wake Partnership to End and Prevent Homelessness	\$ 72,000	Homeless Information Management System (HMIS)
<b>Total City ESG funding</b>	<b>\$256,647</b>	

The City also funds public services with CDBG in a grant program called Community Enhancement Grant through an annual Request for Proposal process. The following nonprofits are recommended by staff for CDBG public service funding for FY 2018-19 through the Community Enhancement Grant:

## City of Raleigh Community Enhancement Grant- RFP FY 2018-19

Agency	Recommended Award	Use of the Funds
Family Resource Center South Atlantic	\$44,348	Assistance with primary needs for homeless ex-offenders reentering society
Triangle Literacy Council	\$33,486	Tutoring and mentoring for low-income and homeless youth
Passage Home	\$48,877	Life skills and culinary job training for low-income unemployed persons
Triangle Family Services	\$48,289	Financial counseling for low-income families
<b>Total City Community Enhancement Grant funding</b>	<b>\$175,000</b>	



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Other CDBG public services projected spending includes homebuyer and job training and operational support for Wake County's homeless men's shelter south of downtown. Other planned project activities include the following:

## **Increase the supply of affordable housing**

New rentals	450
Homeowner units	26
Homebuyer loans	50
Houses rehabbed	50

In recognition of the growing gap between the need for affordable apartments and the supply as units are lost through demolition and conversion to higher-priced rentals, City Council approved a "1-

cent" increase to the City's residential real estate tax rate to generate General Fund dollars to address the situation. In FY 2018-2019 this will mean \$5.997 million in local funding for financing for new or preserved affordable apartments. These funds will be leveraged by federal tax credit funding as well as \$1.14 million of the City's HOME allocation and \$1.15 million of the City's CDBG allocation to help preserve or produce 450 affordable rental units. Another \$500,000 from the bond program income will be used (in addition to \$500,000 in HOME from last year) for second mortgages for 50 new low-income buyers. The City will provide loans to rehabilitate 50 owner-occupied houses.

## **Enhance the homeless to housing continuum**

Rapid rehousing	20
Homelessness Prevention	40

The City will provide local funding for rapid rehousing of 20 families confronting homelessness through Catholic Charities and the City's federal Emergency Solutions Grant will assist 40 families in homelessness prevention.

## **Neighborhood revitalization**

Acquisition	1 unit; one parcel of land
Relocation	2 households
Demolition	2 buildings
Site improvements	Infrastructure to support housing development

Next year CDD will be active in two neighborhood focus areas: the NRSA and the South Park/Garner Road (SP/GR) area. In the NRSA infrastructure improvements will be completed and 19 new homeownership opportunities will be made available. Seven other affordable infill houses will be available in two other priority neighborhoods in the City next year.

## **Economic Development Activities**

In FY 2018-2019 CDD proposes to continue the job training program mentioned above and also provide up to \$100,000 of the City's CDBG funds from the previous fiscal year for participation in the City's façade grant and business up-fit programs for sites within the Neighborhood Revitalization Strategy Area (NRSA). These actions are intended to reduce blight and support the potential for job retention or creation within NRSA businesses.

**2018-2019 Draft Annual Action Plan available for public review and comment March 5 – April 3, 2018 at**

**[www.raleighnc.gov](http://www.raleighnc.gov)**

**Public Hearing on Draft Annual Action Plan scheduled for April 3 after 7:00 p.m. in City Council Chambers**

**Questions? Please call (919) 996-4330 or e-mail: [cd.info@raleighnc.gov](mailto:cd.info@raleighnc.gov)**